

Energy Efficiency in Massachusetts

Mayor's Green Building Task Force

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Telecommunications & Energy**

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Overview

- The Department has an extensive and successful track record in requiring our electric and gas utilities to provide energy efficiency programs to their customers.
- Electric companies have spent approximately \$2 billion, achieving approximately 650 MW of reduction in demand
- Gas companies have spent approximately \$250 million, achieving approximately 60 million therms of savings (cumulative)

Electric Industry

- Prior to restructuring of the electric industry, the DTE had full jurisdiction over electric companies' energy efficiency activities
 - ◆ Total budget
 - ◆ Allocation of budget to customer classes
 - ◆ Program design
 - ◆ Cost-effectiveness

Electric Industry (cont.)

- The Electric Restructuring Act (1997)
 - ◆ established annual per KWH energy efficiency charges (and thus, annual budgets);
 - ◆ provided guidance on how the budget is to be allocated among customer classes, and
 - ◆ divided jurisdiction between the DTE and DOER
 - ◆ DOER oversees program design
 - ◆ DTE oversees cost-effectiveness

Electric Industry (cont.)

- In principle, competitive generation suppliers should provide energy efficiency services to customers, as part of bundled package
 - ◆ This has yet to develop, possibly because of the early stages of the restructured industry
- Competitive market developing nicely for larger customers
- Less success for smaller customers, particularly residential

Electric Industry (cont.)

- Municipal Aggregation Opportunities
 - ◆ Municipal aggregators have opportunity to gain access to ratepayer energy efficiency funds
 - ◆ Currently, Cape Light Compact is the state's only municipal aggregator
 - ✦ they implement energy efficiency programs on the Cape

Electric Industry (cont.)

■ Future of ratepayer funded programs

- ◆ For larger customers, perhaps competitive market can complement, then replace, utility-provided programs
- ◆ For smaller customers, utility-provided programs likely to continue

■ Continued investment in energy efficiency is crucial to success of restructured industry

- ◆ Particularly in transmission constrained areas
- ◆ Potential role in development of demand response capabilities, as will be discussed later today

Gas Industry

■ The DTE continues to have full jurisdiction over gas companies' energy efficiency activities

- ◆ Total budget
- ◆ Allocation of budget to customer classes
- ◆ Program design
- ◆ Cost-effectiveness

■ Currently, companies spend approximately \$23 million annually

- ◆ Keyspan - \$ 12 million
- ◆ Bay State - \$ 6 million
- ◆ Nstar Gas - \$ 4 million

Gas Industry (cont.)

■ Residential Energy Efficiency Services

- ◆ Installation of high efficiency heating equipment
- ◆ Home weatherization for low income customers
- ◆ Energy Star

■ C&I Energy Efficiency Services

- ◆ Energy audit and engineering services
- ◆ Standard rebates for installation of weatherization and HVAC measures
- ◆ Custom rebates for installation of more sophisticated systems and controls

Gas Industry (cont.)

- In setting budgets and priorities, DTE balances between pursuing cost effective opportunities and minimizing bill impacts

- Continued emphasis on lost opportunity and market transformation programs



Commonwealth Of Massachusetts
Department of Telecommunications and Energy

DTE



WEBSITE FOR THE MASSACHUSETTS DTE:

WWW.STATE.MA.US/DPU